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INSURERS MUST OFFER CHILD-ONLY POLICIES *Commissioner orders open enrollment in January*

FRANKFORT, Ky. (Nov. 18, 2010) – Kentucky Insurance Commissioner Sharon P. Clark today ordered all insurers selling in the commonwealth’s individual health insurance market to offer an annual open enrollment period in January for Kentuckians under age 19.

Today’s order was the result of a “fact-finding” hearing on Oct. 13. At that time, Clark asked the insurers to explain the decision to cease writing “child-only” policies on Sept. 23 – the date the federal Patient Protection and Affordable Care Act prohibited companies offering these policies from denying coverage because of an applicant’s pre-existing health condition. Clark said she was concerned that all Kentucky children who needed a “child-only” policy, even those who were healthy, would have to turn to Kentucky Access, the state’s high-risk pool, placing extra demands on that program.

Under the order, the annual open enrollment will be held each January beginning in 2011 and running through 2013. As part of federal health reform, insurers will not be allowed to deny coverage, regardless of health status, in 2014.

The order also provides guidance on rate adjustments and requires insurers to set rules to discourage consumers from dropping coverage after medical services have been received. In addition, the order addresses preventing applicants from being steered to the guaranteed issue market when other options are available, requires a mechanism to obtain coverage outside open enrollment for certain qualifying events, and allows insurers to limit the number of plans offered to applicants under age 19.

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Clark's report on the hearing concluded that the decision by insurers to cease offering "child-only" policies is a violation of state law and results in unfair discrimination to those under age 19 who want to purchase individual health insurance since those in the same age category could purchase guaranteed renewable coverage prior to Sept. 23 or are receiving health benefits as a dependent.

"Insurers consistently told us that they wanted a level playing field. I believe this order is fair to insurers and offers Kentucky families the opportunity to obtain medical coverage for children in that age bracket, both healthy and unhealthy," Clark said.

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